



Comments Received In Response to the Federal Register Notice [FR doc. 03-23568] on the proposed Form EIA-913

The following material comprises the comments received by EIA in response to the *Federal Register* Notice [FR doc. 03-23568] issued on September 16, 2002, which solicited comments related to the proposed Form EIA-913. EIA presents the comments as received and without any endorsement of their validity. The dates and times represent approximately when comments were received by EIA.

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1. COMMENTS OF A. DAVID ROSSIN, 9/23/03, 10:34AM

Hon. Spencer Abraham, Secretary
U.S. Department of Energy
1000 Independence Ave, SE
Washington, DC 20585

Dear Secretary Abraham,

Attn: Administrator, Energy Information Administration

Last week I read that EIA intends to collect and publish monthly data on liquefied natural gas held in storage. I do not have the formal announcement nor the details on how to comment. This is my comment:

Data on LNG storage would be a valuable source of information. It will help to focus on our growing demand for natural gas and our growing deterioration and diversity of sources of supply for electricity generation and chemical feedstock.

These data will likely be used to estimate contributions of natural gas use to our total of greenhouse gas emissions. Therefore, EIA should also gather data and estimates on the amounts of leakage of methane in transfers and pipeline delivery.

EIA should also obtain data on emissions of CO₂ in the process of gathering and liquefying natural gas in the countries from which our LNG is obtained. Dissolved quantities of CO₂ in natural gas deposits vary, so it will be important to determine concentrations at the liquefaction stations. Since greenhouse gasses are a global issue, emissions at any location in the world will be contributors to annual releases of these gasses to the atmosphere.

Respectfully submitted,
A. David Rossin

[I was Assistant Secretary for Nuclear Energy, U.S.D.O.E. 1986-87, Director of the Nuclear Safety Analysis Center at EPRI 1981-86, and President of the American Nuclear Society 1992-93. Dir of Research, Commonwealth Edison Co. 1972-81. Argonne National Laboratory 1955-71. Ph.D. Metallurgy from CASE-WRU 1966. I am an independent consultant on nuclear power safety, energy policy and nonproliferation. Currently I am Center Affiliated Scholar at the Center for International Security and Cooperation at Stanford, working on a book on the U.S. policy dating back to President Jimmy Carter to oppose reprocessing of civilian nuclear power reactor spent fuel.]

2. COMMENTS OF THE AMERICAN GAS ASSOCIATION (AGA), 11/17/03, 3:04PM

To: Department of Energy, Energy Information Administration
Poonum.Agrawal@eia.doe.gov

Re: Request for Comments (proposal for data collection)
Form EIA-913 "Monthly and Annual Liquefied Natural Gas (LNG)
Storage Report" [FR doc. 03-23568]

Liquefied natural gas (LNG) can serve as baseload supply for natural gas consumers, but often serves as a pipeline gas supplement, meeting critical load requirements at critical moments, particularly during peak demand periods. As such, it is dispatched from numerous peaking facilities that store gas in a liquid form until it is gasified and directed into the interstate or local pipeline or distribution system for consumption. During the course of a winter heating season (November-March), LNG facility utilization is often measured in days or hours not weeks or months.

The total storage capacity for LNG poised to meet seasonal needs in the U.S. is less than 100 billion cubic feet (Bcf) equivalent and is small when compared to the underground storage working gas inventory of 3 trillion cubic feet or more. LNG stored for the purpose of meeting peak hour or peak day requirements is generally the last source of natural gas dispatched and as

such is a relatively expensive source of gas supply. It can, however, be a crucial source of gas for meeting short-term system reliability requirements.

Comments

The American Gas Association (AGA) anticipates that individual local gas utilities will submit comments on the EIA proposal to survey LNG facilities and the Form EIA-913. The detailed nature of those comments leads AGA to comment on the broader issue of whether such a survey has utility to the energy information consuming public. AGA represents companies with 53 peak shaving plants and a total LNG storage capacity of approximately 15 million barrels. This is approximately 60% of the LNG storage in the U.S. reported to the Department of Transportation, Office of Pipeline Safety.

Does the collection of LNG storage data have practical utility? Questionable. On an annual basis, LNG of all origins account for two percent or less of natural gas consumed in the U. S. On a peak day it may account for five percent of gas supplied to consumers, so it is a marginal supply source. As such, a monthly inventory of LNG facilities would describe a net change in LNG volumes but would offer no information about utilization and in fact would be highly susceptible to misinterpretation by the market. Its utilization as a peak period supply source would be lost in the monthly accounting and annual inventory data. Elements such as liquefaction capability rates that impact the ability for some facilities to refill the LNG inventory and the economic choices made to use an existing inventory during a peak-period would not be reflected in inventory volumes.

Should additions and withdrawals to LNG facilities be considered sensitive proprietary company information and therefore be treated as confidential? Absolutely. In no way should individual company data be made public and any publication of inventory results should be offered aggregated on a large enough regional scale so as to make it impossible to interpret the data on an individual company basis. Unlike large underground storage fields that tend to fill over a scheduled period of time then draw down based on seasonal requirements, some LNG peaking facilities can be drawn down then refilled quickly (generally through truck cargos). General knowledge of facility inventories could put the companies (and their customers) searching for LNG (or other gas supplies) at a competitive disadvantage with suppliers and other facilities searching for the same supplies.

In addition, AGA is aware of the comments filed by Conectiv and support Conectiv's statement that it is critical that LNG operating information, if collected by EIA, 1) be physically and electronically protected, 2) be available only to specific parties within the Federal government who have both a legitimate and convincing need-to-know and appropriate security clearances, and most importantly, 3) this information must be exempt from any and all FOIA requests.

Is the information useful at the levels of detail to be reported? As indicated above, AGA questions the usefulness of collecting monthly LNG storage data no matter the level of detail. Proposing to report the percent change (from the same period a year prior), for example, will not help market participants interpret the data more accurately.

AGA appreciates EIA's commitment to collecting additional information, which may impact natural gas markets. For the foregoing reasons, however, we do not believe that data collected on LNG inventories will have the utility that is anticipated. Accordingly, we encourage EIA to consider carefully whether the data collected will clearly improve the understanding of natural gas supply in the U.S. If EIA does move forward with the LNG survey and publication of results, it must ensure the confidentiality of the submitted information.

AGA is grateful for the opportunity to comment on the Energy Information Administration's proposal to collect LNG inventory data. If you should have any questions regarding these comments, please contact Christopher McGill at (202) 824-7132.

Respectfully Submitted,

AMERICAN GAS ASSOCIATION

The American Gas Association represents 191 local energy utility companies that deliver natural gas to more than 53 million homes, businesses and industries throughout the United States.

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**3. COMMENTS OF THE AMERICAN PUBLIC GAS ASSOCIATION (APGA),
11/17/03, 3:09PM**

COMMENTS OF THE AMERICAN PUBLIC GAS ASSOCIATION

**UNITED STATES OF AMERICA
BEFORE THE DEPARTMENT OF ENERGY
ENERGY INFORMATION AGENCY**

Pursuant to the notice of the Energy Information Agency ("EIA") appearing in the Federal Register on September 16, 2003, 68 F.R. 54215 ("Sept. 16 Notice"), the American Public Gas Association ("APGA")¹ submits the following comments.

¹/ Founded in 1961, APGA is the national, non-profit association of publicly-owned natural gas distribution systems, with over 580 members in 36 states. Overall, there are 949 municipally-owned systems in the U.S., serving nearly 5 million customers. Publicly-owned gas systems are not-for-profit retail distribution entities that are owned by, and accountable to, the

I. EIA is soliciting comments on the proposed new survey Form EIA-913, “Monthly and Annual Liquefied Natural Gas (LNG) Storage Reports.” 68 F.R. at p. 54215. EIA states that the purpose of Form EIA-913 is “to collect data on the operational capacities of active LNG storage facilities in the United States.” 68 F.R. at p. 54216. And the rationale provided is the “increasing role of LNG storage as a source of natural gas supply, especially during periods of peak demand, and the subsequent need to monitor its activity for a better understanding of the U.S. natural gas supply and demand balance.” *Id.* EIA states its anticipation that the new LNG survey would be “widely used by industry analysts and Federal and State agencies to monitor gas markets.” *Id.*

APGA has been at the forefront of those seeking natural gas market transparency, and in that regard has urged EIA to carry out its statutory mandate to collect data in order “to promote stability in energy prices to the consumer, promote free and open competition in all aspects of the energy field, prevent unreasonable profits within the various segments of the energy industry, and promote free enterprise.” (15 U.S.C. § 764(b)(5).) In the context of the weekly storage survey, APGA submitted comments on January 4, 2002, urging EIA to collect the weekly storage data but also to do so with full recognition of the downside that can accompany such reports in the form of price volatility. APGA urged that “[w]hen EIA issues the storage report, the storage data should not be issued in isolation but in the context of other relevant supply/demand data; this could be accomplished by inserting the storage data into the Natural Gas Weekly Update, along with analysis of other current market factors that puts the new storage numbers in perspective regarding the overall supply/demand situation in the United States.” APGA Comments at p. 3-5.

As EIA is undoubtedly aware, the issuance of the weekly storage report is met with great expectations each week by the media and almost inevitably moves the market in one direction or another, without little, if any, regard to the total supply/demand situation, about which there is no correspondingly current data. Thus, while the storage situation today is healthy by recent historical standards, there was much wringing of hands during the 2003 post-storage withdrawal period regarding storage inputs, with resulting price volatility. APGA believes that the number one task confronting EIA is to provide sufficient timely supply/demand data to combat price volatility keyed to a single input.

APGA is aware that EIA has resource constraints in producing the broad array of data that may be necessary to accomplish the task described above, so it is incumbent on EIA to allocate its limited resources in the most efficient manner to carry out its statutory mandate “to promote stability in energy prices to the consumer, ...” APGA submits that if resource limitations were not an issue, then collection and publication of certain LNG data would make sense as part of an overall data collection effort. But APGA believes strongly that in light of the known resource constraints and in light of the very small role that LNG now plays (or will likely

citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities.

play for the foreseeable future),² EIA should not dedicate the resources necessary to effectuate the LNG data collection and publication undertaking described in its Sept. 16 Notice. Rather those resources should be dedicated to collecting and timely publishing the mass of supply/demand data that are required to put the weekly storage numbers in context. The type of data that should be collected and published is described in APGA's January 4, 2002 Comments to the EIA in OMB Control No. 19050203, pp. 3-5 and Attachment No. 1 thereto.

Prioritization is the key to using EIA's resources wisely and in a manner calculated to combat price volatility in a meaningful fashion. No matter how sanguine one is about the future role of LNG in the U.S. supply mix, even the staunchest LNG advocates do not forecast a meaningful role for LNG for some years to come, on either an annual or peak day basis, as compared to traditional domestic supply sources and/or imports from Canada. In light of this acknowledged (relatively insignificant) role of LNG for the foreseeable future and in light of the pressing need to combat price volatility now, APGA believes that prudence and the public interest both dictate deferring the LNG survey until after the more pressing need for the timely collection and publication of truly significant supply and demand data is accomplished.

In addition, EIA's statement that "the new LNG survey is expected to be widely used by industry analysts and Federal and State agencies to monitor gas markets" (68 F.R. 54216) signals that what it is really creating is another report, like the weekly storage report, which may attract undue attention (given the relative insignificance of LNG imports) and move markets in ways that are not justified by overall supply/demand data. Thus, rather than creating yet another market mover that is not keyed to the larger supply/demand situation, EIA should focus its attention on the larger supply/demand picture, and get to the LNG piece of the puzzle down the road when it becomes more significant and EIA has adequate resources to include such data along with the more meaningful data that is not now being timely collected and published.

II. If, contrary to the views expressed above, EIA goes forward with its LNG survey, then APGA urges EIA to minimize the resources committed to such effort by not collecting unnecessary LNG data. APGA believes that the only LNG data of real value to the market place is that data relating to imports from abroad, and thus this is the data that should be collected and reported on. As to the multitude of LNG storage facilities that are filled and emptied each year by local distribution companies ("LDCs"), that information is not relevant to the nation's overall supply/demand balance or imbalance. In addition, the collection of such information would unduly burden already heavily burdened LDCs with paperwork that serves no real purpose in the large scheme of things.

The Sept. 16 Notice indicates that EIA intends to collect the very type of LNG data described above from "all operators of facilities that store LNG for baseload, seasonal, and peak demand delivery in the United States, or for delivery to United States customers for these

^{2/} APGA is aware of no prognostications that indicate that LNG will play a significant role in the nation's near-term gas supply, and the BG Group, which has been responsible for about 65% of LNG imports in the first nine months of 2003, believes that fewer than five new LNG gas terminals to supply the U.S. market are likely to come to fruition by 2010 (versus the some 30 that have been announced or proposed). *Gas Daily*, Nov. 14, 2003, p. 3.

purposes,” which includes “operators with LNG inventories such as distribution companies, ...” 67 F.R. at p. 54216. APGA submits that collecting such data from domestic LNG facilities not only will not provide useful information, but rather may provide confusing and conflicting information since, for example, gas liquefied by an LDC for storage in its own LNG facility may (and likely would) include both pipeline gas from the Southwest and from LNG import facilities. EIA will have to try to differentiate between the sources of LNG in domestic facilities to avoid double counting the use of foreign LNG. Such an undertaking will be resource-intensive both for EIA and for the affected LDCs. APGA sees no constructive purpose for this exercise when the data that should be the center of attention is not the gas being circulated in domestic facilities but rather the gas from abroad that is being vaporized into the pipeline grid or stored in LNG import facilities.

It also seems incongruous that EIA desires to collect domestic LNG information from LDCs, but has determined not to include “LNG inventories held by any industrial, residential, commercial, or power generation operations for ultimate consumption.” 68 F.R. at p. 54216. APGA agrees with the exclusion of such information, but maintains that the rationale for such exclusion applies equally to LNG storage facilities of LDCs. The fundamental reason for collecting LNG data is, as the EIA makes clear, a “better understanding of the U.S. natural gas supply and demand balance.” *Id.* Collecting information on predominantly domestic gas that circulates in and out of LNG facilities each year will not serve the purpose of permitting enhanced monitoring of gas markets, a stated aim of the LNG survey (*see id.*). It will only result in putting unnecessary burdens on LDCs and other such impacted entities, with no corresponding benefit to the public. Therefore, if EIA determines to proceed with an LNG survey, APGA urges that EIA limit the survey to the LNG data that will be meaningful to the market place, which means focusing on the imported LNG, which acts as a supplement to traditional supply sources.

Wherefore, for the reasons set forth above, APGA respectfully requests (i) that EIA dedicate its available resources to the collection and timely reporting of supply/demand data that will truly be effective in combating the price volatility that is present in today’s gas market place, which means deferring the collection of LNG data for another day since such data is not now meaningful in the larger supply/demand gas supply picture, and (ii) that if, contrary to APGA’s suggestion to defer initiating such an LNG survey, the EIA proceeds with its proposal, it amend such proposal to collect only the LNG data that is relevant to the overall supply/demand picture in the U.S., which means excluding data regarding domestic LNG facilities that yearly store and withdraw gas to serve their residential, commercial and industrial customers.

Respectfully submitted,
/s/ Bob Cave
Bob Cave, APGA President

William T. Miller
APGA General Counsel
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November 17, 2003

4. COMMENTS OF CITADEL INVESTMENT GROUP (CIG), 11/14/03, 1:53PM

CIG Recommendations for LNG Storage Survey

As a Potential User of the Information to be Collected:

- B) The information would be useful at the levels of detail reported. It is a good idea to separate the New England and Mid-Atlantic regions.
- C) The information would be used as a supplement to the weekly EIA underground storage survey in assessing the natural gas supply and demand balance for financial trading purposes.

Other Comments:

- 1) Release the survey at the same time as the weekly EIA underground storage survey (10:30 AM EST, Thursday).
- 2) Include total LNG storage inventory and the week-to-week change.
- 3) Make the report format exactly the same as the weekly EIA underground storage survey format.
- 4) Include the survey sample as a percentage of the universe of LNG storage in the United States.

5. COMMENTS OF CONECTIV POWER DELIVERY, 11/14/03, 11:54AM

As a result of discussions with Mr. Robert Rutchik and an onsite visit by Stanley Freedman and Damien Gaul of EIA on Wednesday, November 12th, Delmarva Power & Light Company (d/b/a Conectiv Power Delivery) submits the following comments regarding the proposed EIA forms and procedures. I am also aware that the American Gas Association is, or will be, providing separate comments. Rather than repeat the AGA points, I will preface my comments by noting that Conectiv Power Delivery supports the AGA submission in its entirety, but sees a need to emphasize another aspect of one of the concerns raised in AGA's letter.

Our meeting with Messrs. Freedman and Gaul on Wednesday was, as stated by them, helpful. As I discussed with them, our primary concern over this proposal lies with the potential release of inventory and usage information for our LNG facility as the result of either a FOIA request or inappropriate access by a government employee or contractor.

Two years ago our offices were visited by agents of the Federal Bureau of Investigation in regards to security of our gas facilities and the need to improve security in light of the events of 11 September 2001. Fourteen months ago, the DOE, working through industry organizations (including AGA), released security guidelines for LNG and other natural gas transmission and distribution facilities. Those guidelines set expectations on how gas facilities should be protected from attack or sabotage. The information which EIA is requesting in this proposal, if accessed by malicious parties, would thwart these national security efforts by assisting such parties in planning attacks on LNG facilities to produce maximum societal impact. Therefore, it

is critical that LNG operating information, if collected by EIA, 1) be physically and electronically protected, 2) be available only to specific parties within the Federal government who have both a legitimate and convincing need-to-know and appropriate security clearances, and most importantly, 3) this information must be exempt from any and all FOIA requests. Our concern is not unique to Conectiv Power Delivery's facilities, but applies to a number of similar facilities, in particular those located in urban areas on the East Coast.

The mechanics of reporting were discussed with Messrs. Freedman and Gaul. We provided comments to them which we believe, if incorporated, would make data collection and reporting a simpler and more meaningful process. We trust that those discussions and these comments will be seriously considered in the final decision on whether or how LNG plant information will be gathered and managed by EIA.

Sincerely,

Charles L. Driggs
Manager, Gas Operations & Planning

6. COMMENTS OF DISTRIGAS OF MASSACHUSETTS LLC, 11/17/03, 4:40PM

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
ENERGY INFORMATION ADMINISTRATION

**COMMENTS OF DISTRIGAS OF MASSCHUSETTS LLC ON PROPOSED MONTHLY
AND ANNUAL LIQUEFIED NATURAL GAS (LNG)
STORAGE REPORT FORM EIA-913**

On September 16, 2003, the Energy Information Administration ("EIA") published a request for comments on a proposed new data collection survey, Form EIA-913, "Monthly and Annual Liquefied Natural Gas ("LNG") Storage Report." Under the proposal the EIA will collect data on inventory levels of LNG and operational capacities of active LNG storage facilities in the United States.

Under the proposal the requirement to report certain LNG storage volumes would apply to

all operators of facilities that store LNG for baseload, seasonal, and peak demand delivery in the United States, or for delivery to United States customers for these purposes. This includes operators with LNG inventories such as distribution companies, pipeline companies, liquefaction facilities, LNG wholesalers (excluding retailers who sell LNG exclusively for ultimate vehicular fuel use), and marine terminals providing peaking storage services. The survey coverage does not include LNG inventories held by any industrial, residential, commercial, or power generation operations for ultimate consumption.

Based upon this language regarding applicability, Distrigas of Massachusetts LLC ("DOMAC") believes that it would be required to report under the EIA proposal.

BACKGROUND

DOMAC purchases LNG from various international sources through its affiliate Distrigas LLC. DOMAC regularly receives imported LNG at its marine terminal facility located in Everett, Massachusetts. DOMAC is a natural gas company under the Natural Gas Act ("NGA") and, therefore, its business is regulated by the Federal Energy Regulatory Commission ("FERC").

Upon unloading, the LNG is stored in two tanks at DOMAC's facility. This storage is incidental to importation. The inventory fluctuates regularly as the facility receives LNG from large ocean-going tanker vessels and then delivers it to its customers. The LNG is regularly sold in vapor (regasified) form to customers via natural gas pipelines and in liquid form via tanker trucks. DOMAC's customers include local gas distribution companies ("LDCs"), gas marketers, and electric power generators throughout the Northeast.

No other importer of LNG utilizes DOMAC's terminal facility in Everett. Also, because its terminal is a non-open-access (proprietary) facility, DOMAC does not offer storage services to others¹. Therefore, with one minor exception (see fn. 1 *supra*), the LNG in the storage tanks is wholly owned and controlled by DOMAC. The quantity of LNG in DOMAC's storage tanks (at any one time) is a direct function of LNG tanker arrivals on the one hand and customer demand for delivered volumes on the other.

Most of the imported LNG is stored transiently. It is regasified and delivered into the natural gas vapor market. DOMAC estimates that approximately 8% of its overall throughput remains in liquid form and is regularly placed into storage by DOMAC's customers upon delivery.

Under existing regulatory requirements, DOMAC regularly files reports of its activities with various federal government agencies, including the Department of Energy Office of Fossil Energy as well as the FERC. These reports include data concerning LNG import volumes and delivery to customers.

COMMENTS

The data that DOMAC would report under the EIA proposal could fluctuate widely. Depending where the terminal stands in a given ship unloading cycle, the amount of LNG in storage could be as little as 200,000 MMBtu and as much as 3,500,000 MMBtu, and where a storage figure will stand on a given reporting date will be purely a matter of random timing. Therefore, DOMAC questions the usefulness of this data as a reflection of LNG storage levels.

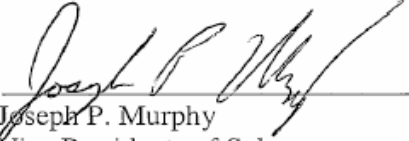
Because DOMAC's volumes largely serve the vapor market, any public information concerning the specific timing of LNG importation may lead to increased market speculation and market price volatility. Therefore DOMAC wishes to underscore that individual companies as well as the overall market would be harmed if the collected data are published in a manner that discloses or permits any interpretation of market sensitive information.

¹ There is one minor exception. DOMAC provides a grandfathered storage service (SS-1) to Boston Gas Company d/b/a KeySpan Energy Delivery New England ("KeySpan") under terms set forth in DOMAC's FERC Gas Tariff. Under this arrangement, DOMAC has operational flexibility that allows it to replace volumes stored on behalf of KeySpan with new imported volumes as logistically necessary. Under the EIA proposal, KeySpan presumably would report the LNG volumes it stores at the DOMAC facility. However, this volume would also be included in any report by DOMAC, which could create inadvertent double counting.

Based on these considerations, DOMAC recommends that the EIA reconsider its proposed collection of LNG storage data.

Respectfully submitted,

DISTRIGAS OF MASSACHUSETTS LLC

By: 
Joseph P. Murphy
Vice Presidents of Sales

7. COMMENTS OF KEYSpan DELIVERY COMPANIES, 11/17/03, 4:05PM

Cullen and Dykman Bleakley Platt, LLP

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November 17, 2003

To: Department of Energy, Energy Information Administration
By electronic mail: poonum.agrawal@eia.doe.gov

From: KeySpan Delivery Companies
Kenneth T. Maloney, Esq.
Christopher M. Heywood, Esq.

Re: Request for Comments
Form EIA-913 "Monthly and Annual Liquefied Natural Gas
Storage Report" (68 Fed. Reg. 54,215 (September 16, 2003)).

The KeySpan Delivery Companies hereby submit their Comments in response to the Energy Information Administration's ("EIA"), request for comments regarding the proposed Form EIA-913, "Monthly and Annual Liquefied Natural Gas (LNG) Storage Report."¹ EIA is proposing to use Form EIA-913 to collect data on the inventory levels of LNG and operational capacities of active LNG storage facilities in the United States.

¹ The KeySpan Delivery Companies ("KeySpan") are composed of: The Brooklyn Union Gas Company d/b/a KeySpan Energy Delivery New York ("KeySpan Energy NY"); KeySpan Gas East Corporation d/b/a KeySpan Energy Delivery Long Island ("KeySpan Energy LI"); and Boston Gas Company, Colonial Gas Company, EnergyNorth Natural Gas, Inc., and Essex Gas Company (collectively "KeySpan Energy NE"). The KeySpan Delivery Companies are subsidiaries of KeySpan Corporation.

As a general matter, KeySpan agrees with and supports the Comments filed by the American Gas Association. Specifically, that the value of collecting LNG storage data has, at best, questionable practical utility. As the amount of LNG storage is just a fraction of the total supply of gas storage available nationwide and as LNG is primarily used as a peak period supply source, monthly inventory reports would be highly susceptible to misinterpretation by the marketplace as they will not reflect information about total utilization and turnover. Therefore, KeySpan generally does not support EIA's proposed data collection. However, if the EIA does choose to proceed with the collection of LNG data, KeySpan would suggest the following changes and clarifications to Form EIA-913. KeySpan has conformed its submission to the guidelines provided for Comments.

1. General Issues

B. What enhancements can be made to the quality, utility, and clarity of the information to be collected?

In the instructions for Form EIA-913, it is proposed that respondents use existing EIA ID numbers. Respondents without an EIA ID number will be assigned one. However, the proposed Form EIA-913 is not clear as to whether respondents may cluster several LNG facilities under one EIA ID number, or whether each reporting LNG facility should have a unique EIA ID number. Therefore, KeySpan proposes EIA clarify that, regardless of corporate structure, each LNG facility required to file a Form EIA-913 must have its own EIA ID number and submit its data under that EIA ID number. This clarification will prevent potential duplication of reported LNG storage levels and clarify the proposed "General Instructions" for Form EIA-913, which requires each company to "provide data on a separate form for each facility your company operates."

C. Should the proposed collection of information be conducted under EIA's existing confidentiality provisions, or under the provisions of CIPSEA?

KeySpan believes that the proposed collection of information should be conducted pursuant to the Confidential Information Protection and Statistical Efficiency Act of 2002 ("CIPSEA"). While KeySpan's concerns with confidentiality are more fully discussed in (2)(H) below, KeySpan is very concerned about potential security and competitive issues that could result from EIA's distribution of the LNG storage data. KeySpan believes that the strict information control regulations under CIPSEA provide much greater security for the privileged and confidential information EIA seeks to collect than does EIA's existing confidentiality provisions, under which it is much easier for the EIA data to be distributed throughout the government.

2. As a Potential Respondent to the Request for Information

B. Are the instructions and definitions clear and sufficient? If not, which instructions or definitions need clarification?

KeySpan does not believe that all of the instructions and definitions are clear. First, the instructions for Form EIA-913 propose to require respondents to provide LNG storage data within 20 days after the end of the Report Month. A "Report Month" is defined as the period from 9:00 a.m. on the last day of the previous report month through 9:00 a.m. on the last day of the current Report Month. It is not clear whether this defined period for a "Report Month" coincides with the definition of "Gas Day" standardized by the North American Energy Standards Board as 9:00 a.m. to 9:00 a.m. in Central Clock Time.² As NAESB's "Gas Day" definition has been adopted throughout the natural gas industry, EIA should clarify that the time period defined in "Report Month" is calculated under Central Clock Time in order to prevent any confusion.

Additionally, KeySpan suggests that EIA revise items numbered 5 through 8 of the monthly form to require that additions, withdrawals and inventories of LNG be reported in MMBtu units. Presently, standard company practice is to keep records and submit reports on LNG storage data in MMBtu units. Requiring Form EIA-913 to be reported in MMBtu units would be consistent with company practice and, therefore, minimize the workload needed to complete proposed Form EIA-913.

KeySpan also has several specific concerns about the proposed Annual Form. Items numbered 6, 7 and 9 of Part II of the Annual Form should be clarified to state "design capacity" instead of simply "capacity." This change is needed as each LNG facility is designed to store a specific quantity of LNG, but depending upon individual company practices and plant characteristics, actual LNG "capacity" may not exactly match the facility's "design capacity." As EIA is seeking to collect information from a diverse array of facilities and companies throughout the country, it is necessary that a single standard be used so that all respondents are consistently reporting the same data. Therefore, KeySpan suggests that EIA clarify that items 6, 7 and 9 of the Annual Form are seeking the "design capacity" of respondents' storage, liquefaction, and vaporization facilities.

Second, KeySpan suggests that items numbered 8 and 10 of Part II of the Annual Form should be revised from "Maximum trailer unloading/loading capacity" to "Maximum deliverability of unloading/loading stations." Additionally, the unit identifier for deliverability should be changed from "Gallons/day" to "Gallons/hour". KeySpan suggests that these changes will allow EIA to more accurately determine the information EIA is seeking, the amount of time needed for a respondent's LNG facility to cycle - *i.e.*, load and unload. As currently phrased, items numbered 8 and 10 of the Annual Form do not accurately capture the LNG facilities' cycle time. The total ability of an LNG facility to receive or deliver LNG is a function of the total deliverability of a LNG's unloading/ loading stations over a specific period of time, *i.e.*, per hour. Incorporating KeySpan's suggestion will prevent subjective factors from influencing the data EIA is attempting to collect.

Finally, KeySpan suggests that item number 5 of the Annual Form be revised to state "Type of operation (check the appropriate boxes below)." This change will ensure that any respondent whose LNG facility's type of operations overlap (for example, a LNG facility that is both a distribution company and a liquefaction facility) will be appropriately identified.

² North American Energy Standards Board, Standard No. 1.3.1, Version 1.6 (July 31, 2002).

KeySpan believes that this change will help prevent misidentification of LNG facilities by allowing companies to clearly identify all types of operations that each LNG facility performs.

H. *Do you consider the information collected under EIA-913 confidential? If so, and EIA proceeded under CIPSEA, would your company sign an informed consent agreement for release of its EIA-913 information to other Federal Agencies for use in preparing for and/or responding to defined emergency situations?*

KeySpan absolutely considers the information collected under EIA-913 to be confidential, both for security and competitive reasons. No information provided under EIA-913 should be made public or otherwise published in any form, unless EIA does so on an aggregated basis that is based on a sample with enough respondents throughout a large regional area sufficient to prevent identification of any single respondent. Failure to treat the information provided under EIA-913 as confidential may present significant security issues and would put respondents at a competitive disadvantage. Regarding the signing of an informed consent agreement, KeySpan would not be adverse to signing such an agreement so long as the information would only be used for preparing or responding to defined emergency situations, the federal agency with access to the information signed a document agreeing to maintain the confidentiality of the information, and KeySpan was informed of and, if possible, had an opportunity to comment upon the information transfer.

8. COMMENTS OF THE NORTHEAST GAS ASSOCIATION (NGA), 11/17/03, 11:54AM

Natural Gas Division
Attn: EIA-913
EI-44
Forrestal Building
U.S. Department of Energy
Washington, D.C. 20585

Via email

**RE: Request for Comments (proposal for data collection)
Form EIA-913, "Monthly and Annual Liquefied Natural Gas (LNG)
Storage Report"**

TO: Poonum Agrawal, U.S. Energy Information Administration (EIA)

FROM: Thomas M. Kiley, President, Northeast Gas Association

The Northeast Gas Association (NGA) is a trade association based in Needham, Massachusetts that represents the natural gas industry in the six New England states and New York. Our members include local gas distribution companies (LDCs), interstate pipeline companies, an LNG importer, and LNG trucking companies, among others.

LNG is an important supply source in the Northeast natural gas market, and is poised to grow in significance here as in the rest of the U.S. LNG represents 10% of winter peak day supply in New York State, and 29% of winter peak day supply in New England.

Nevertheless, as the American Gas Association (AGA) notes in its comments dated November 17, 2003, the total storage capacity for LNG is small in the U.S. when compared to the underground storage working gas inventory. While LNG storage is expected to grow, here in the Northeast and throughout the U.S., it still will represent a comparatively small amount when compared to the total underground working gas inventory.

EIA's initiative to gather data on LNG storage on a monthly and annual basis is understandable and appropriate as part of its ongoing efforts and mission to achieve and maintain "a better understanding of the U.S. natural gas supply and demand balance."

The general concern of NGA, however, from a New England and Northeast standpoint, is that the current usage of LNG is so limited to particular areas of the U.S. that this survey could serve to distort understanding of the market and impact, disproportionately, market price and confidence.

Since New England in particular relies heavily on LNG for peak winter use, NGA is concerned about the potential impact of LNG storage data on the marketplace. For instance, the cycle of LNG refills and withdrawals at the Everett, Massachusetts import terminal or LDC satellite tanks could easily be misinterpreted. The information from a posted survey result, depending on its timing, could be misleading and potentially lead to further price volatility. This type of information could also adversely impact an LDC's ability to negotiate its supply contracts during the same period.

It is our understanding that EIA plans to have a two-month lag time between the date of the survey and the release of results. We would strongly urge that such a delay be adhered to so as not to mislead the market. Perhaps the data can be accumulated and published after the winter period as a recap on LNG activity each month or as an annual report only.

NGA is also concerned about the potential level of specificity of the reported data. For instance, how will the data be aggregated and presented? Will New England be presented as one data point, and then New York/New Jersey, and Mid-Atlantic? The current usage of LNG is still so limited to particular areas that we are concerned that individual company purchase and storage decisions could be isolated and identified. This would be highly detrimental to companies' competitive positions and to their negotiating positions with suppliers.

These issues underscore the concerns over confidentiality. NGA recognizes that EIA maintains strong confidentiality policies. For the reasons stated above, NGA feels that this type of data is extremely sensitive and proprietary. NGA concurs strongly with AGA's statement that "In no way should individual company data be made public and any publication of inventory results should be offered aggregated on a large enough regional scale so as to make the interpretation of data on an individual company basis impossible."

NGA in summary has concerns about the possibility that this survey, rather than clarifying the LNG market, might lead to misinterpretation and impact local and regional markets to a potentially serious degree. Many of our member companies have met with EIA representatives to discuss this survey, and would be willing to continue the discussion to ensure that any published information is accurate and useful but at the same time not prejudicial to individual companies or regions.

9. COMMENTS OF PORT PELICAN, LLC, 11/17/03, 5:19PM

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
ENERGY INFORMATION ASSOCIATION**

**EIA 913
Monthly and Annual Liquefied Natural Gas (LNG) Storage Reports**

COMMENTS OF PORT PELICAN, LLC

Port Pelican, LLC hereby submits its comments in response to request for comments on the Information Collection Proposal by the Energy Information Association (EIA) regarding LNG Storage activity, 68 Fed. Reg., 54216 (September 16, 2003).

I. COMMUNICATIONS AND CORRESPONDENCE

All correspondence and communications regarding the submission of these comments should be directed to:

Richard Lammons
PORT PELICAN, LLC
1111 BAGBY STREET
P.O. BOX 1404
Houston, TX 77002-2543
Telephone: 281/752-7084
Email: RLammons@chevrontexaco.com

II. STATEMENT OF INTEREST

Port Pelican, LLC (Port Pelican) is a Delaware limited liability company officed at Houston, Texas. Port Pelican has submitted a Deepwater Port license application to the Department of Transportation to construct and operate a Liquefied Natural Gas (LNG) receiving and regasification terminal in the U.S. Gulf of Mexico (GOM). The proposed facilities, consisting of

LNG storage and regasification facilities will include pipeline interconnection to existing infrastructure to deliver natural gas into the United States interstate gas pipeline network. Having done so, the facilities of Port Pelican once in operation, would most likely be subject to the reporting requirements proposed as “EIA 913, Monthly and Annual Liquefied Natural Gas (LNG) Storage Reports”. Therefore, Port Pelican could potentially be impacted by EIA’s proposal.

III. COMMENTS

Port Pelican appreciates the Department’s assessment of the increasing role that LNG storage will play in the future of natural gas supply and lauds EIA’s effort to provide timely and accurate data on LNG storage to industry analysts and various agencies. Port Pelican welcomes this opportunity to provide constructive comments on EIA’s proposed information collection activity. Port Pelican submits that the proposed reporting requirements could be further refined to more succinctly fulfill the Department’s objectives and tenders, in response to EIA’s request, the following comments:

Item 2. As a potential Respondent to the Request for Information,

B. Are the instructions and definitions clear and sufficient? If not, which instructions or definitions need clarification?

Port Pelican would like to present three comments on this sub-item. (1) Port Pelican is an LNG import terminal and as such does not primarily serve as a storage facility. As such, Port Pelican suggests that the EIA clarify language specifying what facilities are subject to EIA-913 to exclude facilities such as Port Pelican that do not provide “storage” as a “primary” function. This will also remove the burden of duplicative reporting requirements as addressed in subsequent sub-item (3).

(2) Port Pelican is a marine terminal. Terminology in the EIA-913 refers to “Trailer unloading capacity” and “Trailer loading capacity”. As these terms invoke scenarios of onshore operations, they are not relevant to Port Pelican operations. Analogous language for a marine terminal would include “Vessel unloading capacity” and “Terminal send-out capacity”. Port Pelican suggests that, in order to capture the broadest possible industry perspective, the language of the report should be modified to reflect a scope which would encompass marine terminal operations.

(3) With regard to both the proposed Monthly and Annual Schedules, Port Pelican submits that the Department should further refine “Facility Location”. As designated, EIA proposes to utilize a two digit postal code (State), and County. Port Pelican suggests, instead, that the form be revised to accommodate a regional description, i.e. Off-Shore Gulf of Mexico, or simply OCS. Port Pelican comments that it would be administratively unwise to identify location solely by state and county as unique regulatory and legal issues are created by such an association which would be inappropriate in instances where facilities are actually located in OCS (versus State) waters.

G. Does any other Federal, State, or local agency collect similar information? If so, specify the agency, the data element(s) and the methods of collection.

Port Pelican is aware of another effort on the part of the DOE that could potentially produce redundant information. The Office of Fossil Energy (FE) has proposed to increase reporting requirements for the import and export movements of natural gas from a quarterly to a monthly basis. Form FE-746R, “Import and Export of Natural Gas” is FE’s designation for the

proposed form. The LNG deliverable to Port Pelican will forseeably be from non-domestic supply sources and, thusly could be subject to this reporting requirement as well as the proposed EIA-913. Port Pelican's facility is essentially an import receiving terminal with very little, if any static storage or peaking capability. It is being designed for base load demand, only.

H. Do you consider the EIA-913 information (additions, withdrawals, inventory, and facility characteristics) to be sensitive proprietary company information that should be treated as confidential? If so and the EIA-913 survey was conducted under CIPSEA, would your company sign an informed consent agreement for release of its EIA-913 information to other Federal agencies for use in preparing for and/or responding to defined emergency situations such as terrorist attacks, regional pipeline breaks, or LNG shipping disruptions? Any Federal agency with access to EIA-913 information would be required to sign a document agreeing to maintain the confidentiality of the information.

Port Pelican wishes to raise concerns regarding the proposed utilization of EIA standard 2002-22, "Non-disclosure of Company Identifiable Data in Aggregate Cells". EIA's information collection proposal states that "EIA-913 information would be published at an aggregate multi-state level based in the current EIA underground Storage regions". A review of the current regions does not include OCS storage locations. Therefore, Port Pelican seeks clarification on how EIA will incorporate data reported by OCS facilities into the existing regions. Should the EIA propose to add the OCS as a discreet reportable region, Port Pelican is concerned that it will lose any benefit of confidentiality afforded through the process of "data aggregation" until such time as additional OCS facilities are constructed and placed into operation.

Consequently, Port Pelican would suggest that the OCS information be aggregated with a proximate existing region thereby ensuring that individual data remain unidentifiable, e.g., data region reported as "West and OCS".

Alternatively, Port Pelican would recommend that the Department utilize the confidentiality provisions afforded through CIPSEA and would sign an informed consent agreement for release of its EIA-913 information to other Federal agencies for use in preparing for and/or responding to defined emergency situations such as terrorist attacks, regional pipeline breaks, or LNG shipping disruptions.

IV. CONCLUSION

Port Pelican respectfully urges the Department to modify and/or clarify the reporting requirements in the manner suggested above.

Respectfully submitted,

Richard Lammons
Vice President
PORT PELICAN, LLC

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EIA received one comment after the close of the comment period on November 17, 2003. EIA presents this comment as received and without any endorsement of its validity.

10. COMMENTS OF THE INTERSTATE NATURAL GAS ASSOCIATION OF AMERICA (INGAA), 12/23/03, 9:30AM

From: Terry D. Boss [mailto:tboss@ingaa.org]
Sent: Tuesday, December 23, 2003 9:30 AM
To: Mariner-Volpe, Barbara
Subject: RE: Invitation to comment on new LNG survey

Peak Shaving Plants

LNG from peak shaving plants is extremely localized and only gives an indication of the reliability of the gas supply for that particular system. You cannot add up the (say 6) plants in a state and say that they have enough peak supply for the state for the next month. Knowing the inventory for the peak shaving plants on a general region or nation will present an incomplete picture of the reliability of the supply. A detailed listing of these volumes by company will present a security risk since users could see the susceptibility of a certain market to outages.

LNG Terminals

LNG Marine Terminals are just another supply source to the nation. The amount of storage in an LNG marine terminal tanks are a small % of the throughput of the terminal, since it is only used as a buffer for the ships arriving on a periodic basis. The amount of storage (i.e. in the tanks) available at one given time (i.e. what is in inventory) is a very small % of the total supply so it has very little effect on supply and demand. The more important statistic is the uptime of the vaporization plant and the constant supply of the ships bringing the gas (i.e. the pipeline) than what is in inventory at the plant. The amount of cargos entering and exiting the facility reflect the bigger volume of gas supply being used in the market. LNG marine terminals, in general, can feed many parts of a region because of the proximity to pipelines to redistribute the supply.

Therefore the volumes from LNG Marine Terminals may be significant enough to track. Again, there is a security concern about the information on these terminals. Since there is a limited number of these units, exposing and isolating the gas supply volumes to the public (and terrorists) may present a security vulnerability to the nation.

Concerns

I do have several concerns on the expectations on the use of this data. The total amount of volume coming from the marine LNG terminals is in the low single digits of the % of gas supply. This is close to the same value of shrinkage that occurs when gas processors extract

heavier hydrocarbons from the gas supply, yet there does not appear to be any tracking of that possible flow of gas (when not processed) into the system. The second concern is the mixing of the more accurate data that is being provided by storage providers and possibly LNG marine terminal operators with gas supply production data that is estimated at this time. As I understand the reporting criteria for gas supply numbers, the actual results are not known for many months after the fact. I am concerned that the users of the data will be disappointed when the addition of LNG data gets overwhelmed by the accuracy of the present gas supply data. Worse yet, some inappropriate conclusions can be made as a result of the inaccurate gas supply data.

Looking into the future, the LNG marine terminal facilities act like supply points...nothing more...nothing less. Therefore, they should be reported only as a supply source into the region. Isolating the LNG marine terminal sources as an explicit entity draws unneeded interest to these critical facilities. The data should be collected, reported and compiled with the same timeliness and accuracy of the other supply sources.

Big Picture

I think it would be appropriate for you to reanalyze the total data collection system and try paint a picture of the accuracy, magnitude and timeliness of the data. This will help users understand the usefulness of the data. Nothing is worse than users trying to read more into data than what is really available.

I hope you can consider these for the record.

Terry Boss
INGAA
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